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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91216429
Party	Defendant NextLine Manufacturing, Inc.
Correspondence Address	NEXTLINE MANUFACTURING, INC. NEXTLINE MANUFACTURING, INC. 7951 CESSNA AVE GAITHERSBURG, MD 20879-4117 ljohnson@nextlinemfg.com
Submission	Motion to Dismiss - Rule 12(b)
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Proto Labs, Inc.,)	
)	Opposition No. 91216429
Opposer,)	
)	Serial Nos. 96/100,092, 86/100,112,
v.)	86/100,123 and 86/100,133
)	
NextLine Manufacturing Corp.,)	Marks: NextLine, NextLine
)	Manufacturing, NextQuote
Applicant.)	Xpress Flow

MOTION TO DISMISS OPPOSITION

Applicant, pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, moves the Board to dismiss the Opposition on the grounds that it fails to state a claim for relief on which relief can be granted. In support of this Motion, Applicant submits that:

(1) the Notice of Opposition fails to state whether it is based on fraud, likelihood of confusion, or both, and leaves Applicant guessing as to which allegations relate to which claims (if there is more than one claim);

(2) if the Notice of Opposition is based on fraud, it fails to plead fraud with particularity as required by Fed.R.Civ.P. 9(b); and

(3) because the Notice of Opposition is based in whole or part on a likelihood of confusion with **FINELINE**, previously owned by an unidentified “predecessor in interest,” in respect to which mark Opposer now claims to own prior common law rights by reason of an “assignment” acquired by Opposer immediately prior to the filing of this Opposition, *see* Notice of Opposition at ¶ 7, the Opposition must be dismissed for its failure to identify the circumstances of the “assignment,” its failure to describe the nature or extent of the alleged prior use, and its consequent failure to state facts in support of Opposer’s claim to common law priority in that mark.

I. Standard of Review

To survive a motion to dismiss for failure to state a claim under Fed. R. Civ. P. 12(b)(6), Opposer must allege facts which would, if proved, establish (1) that Opposer has standing to maintain the proceeding (including, in this case, such standing as may result from Opposer's recent acquisition of common law priority from an unidentified "predecessor in interest"); and (2) that there is a valid ground for opposing the disputed applications. *Doyle v. Al Johnson's Swedish Restaurant & Butik, Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012); *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998); TBMP § 503.02 (3d ed. 2011).

With respect to standing, Opposer must allege facts which, if proved, would establish that Opposer has a "real interest" in the proceeding. *Ritchie v. Simpson*, 170 F.3d 1092, 1095, 50 USPQ2d 1023, 1025-26 (Fed. Cir. 1999); *Lipton Industries, Inc. v. Ralston Purina Co.*, 213 USPQ 185, 189 (TTAB 1982). Furthermore, Opposer's allegation that it would be damaged by the registration of Applicant's marks "must have a 'reasonable basis in fact.'" *Ritchie*, 170 F.3d at 1098, 50 USPQ2d at 1027; *Universal Oil Prod. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122, 1123, 174 USPQ 458, 459-60 (CCPA 1972). As to whether Opposer has sufficiently alleged a valid ground for Opposition, the Notice of Opposition "must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S.Ct. 1937, 1949-50 (2009); *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570, 127 S.Ct. 1995, 1975 (2007). Apart from specifying that sufficient factual matter be "well-pleaded" and, when so pleaded be accepted as true, the Supreme Court has stated that "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice." *Ashcroft v. Iqbal*, 556 U.S. at 678, 129 S. Ct. at 1949.

Under these standards, the Notice of Opposition must be dismissed because (1) Opposer's conflated references and allusions to fraud and confusion leave Applicant guessing as to the asserted basis for Opposer's action and do not constitute a "well pleaded" complaint under *Iqbal*, 556 U.S. at 678, 129 S. Ct. at 1949; (2) the Notice of Opposition fails to plead fraud with particularity; and (3) Opposer's perfunctory allegation of prior rights in the **FINELINE** mark "by assignment" from an unidentified party appearing in the last sentence of Paragraph 7 of the Notice of Opposition, unsupported by any facts pleaded in Paragraph 7 or elsewhere in the Opposition, fails to plead facts in support of Opposer's claim to priority in that mark.

I. Statement of the Case

The following applications have been opposed:

- **NextLine**, U.S. Application Serial No. 86/100,092, for "manufacture of plastic and metal parts to order and/or specification of others," in Class 40;
- **NextLine Manufacturing**, U.S. Application Serial No. 86/100,112, for "manufacture of plastic and metal parts to order and/or specification of others," in Class 40;
- **NextQuote**, U.S. Application Serial No. 86/100,123, for "software as a service (SAAS) services featuring software for use by design engineers and manufacturers, namely, to prepare cost estimates for the production of low volume custom designed plastic and metal parts," in Class 42; and
- **Xpress Flow**, U.S. Application Serial No. 86/100,133, for "software as a service (SAAS) services featuring software for analyzing customer requirements, planning manufacturing builds and facilitating order fulfillment of low volume custom designed plastic and metal parts," in Class 42.

These applications have been opposed on the basis of the following four prior registrations owned by Opposer, plus an application filed by Opposer on April 14, 2014, 32 days prior to filing its Notice of Opposition, seeking registration of **FINELINE** based on an acquisition of common law rights going back to 2001 from an unidentified "predecessor in interest":

- **PROTOQUOTE**, U.S. Reg. 2,686,351, for "manufacture of custom-designed injection molded parts to order and/or specification of others; providing

information via a computer network in the field of custom manufacturing in the nature of quotations of costs involved in fabricating custom-designed injection molds,” in Class 40

- **PROTOFLOW**, U.S.;. Reg. 3,294,603, for “manufacture of custom-designed injection molded parts to order and/or specification of others; numerically modeling a custom injection molding process for use in designing or manufacturing of plastic parts; providing information via a computer network in the field of custom manufacturing in the nature of analysis, modeling and simulation of flow and/or solidification of injected material in custom injection molds, in Class 40;
- **FIRST CUT**, U.S. Reg. 3,268,122, for manufacture of Computer Numerical Control, or CNC, machined plastic parts for prototyping and low volume production, such parts having been custom-designed to order and/or specification of others; providing information via a computer network in the field of custom manufacturing in the nature of two- and three-dimensional graphical displays of plastic parts and/or Computer Numerical Control, or CNC, machining of plastic parts; and Providing information via a computer network in the field of custom manufacturing in the nature of quotations of costs involved in Computer Numerical Control, or CNC, machining of custom-designed plastic parts.
- **FIRSTQUOTE**, U.S. Reg. 3,390,900, for providing information via a computer network in the field of custom manufacturing in the nature of quotations of costs involved in machining and/or molding of custom-designed parts.

In addition to the prior registrations listed above, Opposer filed an application on April 24, 2014, seeking registration of **FINELINE**, Application No. 86/261,238, alleging a first-use date in 2001. Opposer’s threadbare allegation of rights “associated with” this alleged mark, to use Opposer’s words, appears in the last sentence of Paragraph 7 in the Notice of Opposition.

II. Argument

A. The Notice of Opposition Fails to State Whether it is Based on Fraud, Likelihood of Confusion, or Both.

The Notice of Opposition contains allegations of fraud and likely confusion comingled in a single count that fails to distinguish between the two causes of action, if two causes of action are what Opposer is alleging. *See Mostowy v. U.S.*, 966 F.2d 668, 672 (Fed. Cir. 1992) (dismissing action for failure to state a claim, stating, “It is not within the duties of this Court to

guess upon which [statutory basis] plaintiffs base their claim”); *Garri Publication Associates, Inc. v. Dabora, Inc.*, 10 USPQ2d 1694, 1697 (TTAB 1988) (dismissing cancellation petition for failure to state a claim where it was “not clear what petitioner intended to plead”); *Anderson v. District Bd. of Trustees of Cent. Florida Cmty. College*, 77 F.3d 364, 366 (11th Cir.1996) (“Anderson's complaint is a perfect example of ‘shotgun’ pleading in that it is virtually impossible to know which allegations of fact are intended to support which claim(s) for relief”).

B. The Opposition Fails to Plead Fraud With Particularity.

Opposer asserts that Applicant had not used the opposed marks on or prior to the date of first use claimed in the statements of use. However, Opposer fails to allege, and has no basis to allege, that Applicant intended to deceive the PTO. The Opposition therefore fails to state a claim under Rules 9(b) and 12(b)(6).

Fraud in procuring a trademark registration occurs when an applicant knowingly makes false, material representations of fact in connection with his application. *In re Bose Corp.*, 580 F.3d 1240, 1242, 91 USPQ2d 1938, 1939 (Fed. Cir. 2009); *Torres v. Cantine Torresella S.r.l.*, 808 F.2d 46, 48, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986). However, a party opposing a trademark application for fraudulent procurement bears a heavy burden of proof. *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 1004, 153 USPQ2d 749, 750 (CCPA 1967). “[T]he very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981); *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1480 (TTAB 2009).

Rule 9(b) of the Federal Rules of Civil Procedure requires that pleadings of fraud contain an explicit rather than implied expression of the circumstances constituting fraud. *King Automotive, Inc. v. Speedy Muffler King, Inc.*, 667 F.2d 1008, 1010, 212 USPQ 801, 802 (CCPA 1981). The factual basis for an allegation of fraudulent misrepresentation to the PTO must be stated with specificity. *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d at 1479. Rule 9(b) requires particularity in order to provide the opposing party with requisite notice, to weed out baseless claims, to prevent fishing expeditions and fraud actions in which all facts are learned after discovery, and to serve the goals of Fed.R.Civ.P. 11. *See* Wright & Miller, Federal Practice and Procedure: 5A § 1296 n. 11 (2004) (citing authorities).

Fraud in procuring a trademark registration or renewal occurs only when an applicant knowingly makes a false, material representation with the intent to deceive the PTO. *In re Bose Corp.*, *supra*; *Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 1002, 153 USPQ 749, 750 (CCPA 1967); *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981). Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. Of course, “because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” *Star Scientific, Inc. v. R. J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366, 88 USPQ2d 1001, 1007 (Fed. Cir. 2008); *accord, Alcatraz Media, Inc. v. Chesapeake Maine Tours Inc.*, 107 USPQ2d 1750, 1764 (TTAB 2012). In the present case, Opposer has failed to allege any facts that would provide a “clear and convincing” basis for an inference of fraud on the part of Applicant. *Id.*

C. The Opposition Fails To State Facts In Support Of Opposer's Claim to Priority in its FINELINE Mark.

Opposer has no registration or prior-filed application for **FINELINE**. Opposer must therefore establish common law priority to overcome Applicant's priority date in its pending application for registration of **NEXTLINE**. *Lucent Information Management, Inc. v. Lucent Technologies, Inc.*, 186 F.3d 311, 317-318, 51 USPQ2d 1545, 1550 (3rd Cir. 1999), *cert. denied*, 528 U.S. 1106 (2000) (affirming dismissal of plaintiff's trademark infringement claim on summary judgment for failure to establish use of disputed trademark prior to defendant's filing of intent-to-use application). However, Opposer's claim of priority in **FINELINE** is not supported by any factual allegations going to the nature and extent of the alleged prior use or the circumstances by which Opposer propitiously "succeeded" to those rights immediately prior to filing this Opposition. *See T.A.B. Systems v. Pac Tel Teletrac*, 77 F.3d 1372, 37 USPQ 1879 (Fed. Cir. 1996) (holding that notice of opposition without factual allegations in support of common law priority failed to state a claim on which relief could be granted).

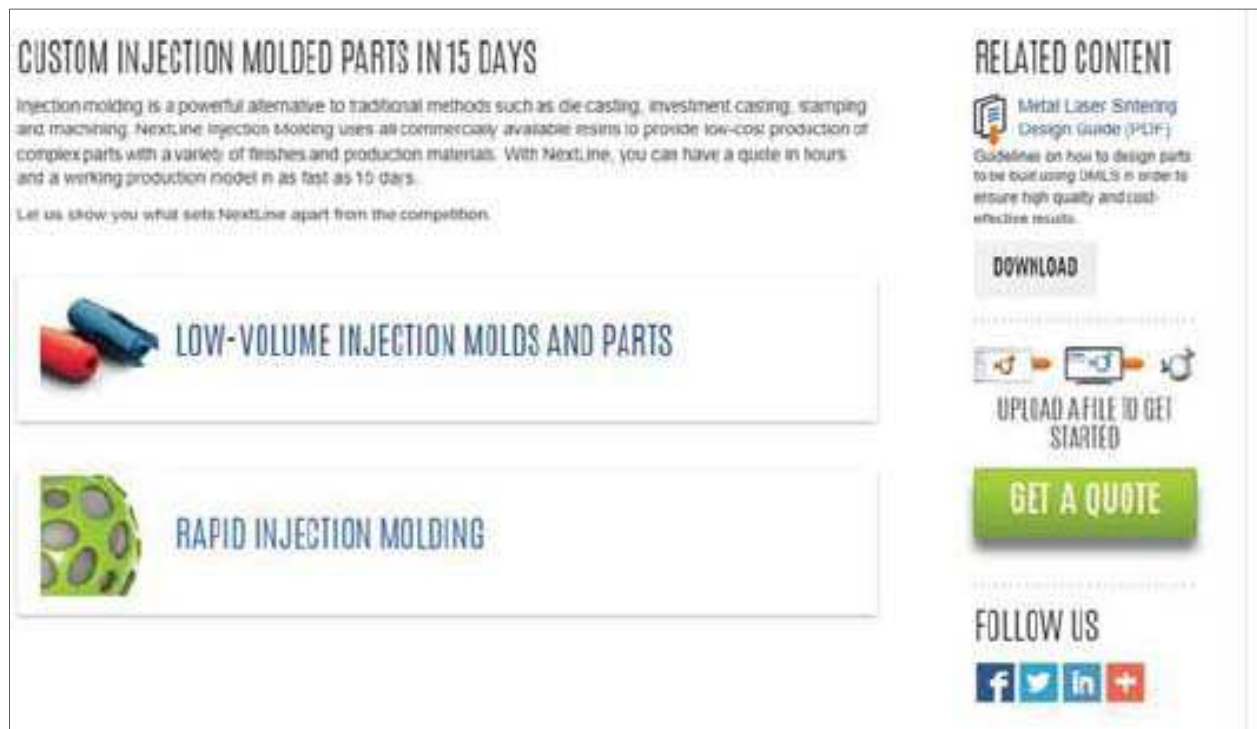
The single reference in the Notice of Opposition to Opposer's alleged common law rights in **FINELINE** appears at the end of Paragraph 7, where Opposer alleges, "Proto Labs is also the owner, via assignment, of common law rights associated with **FINELINE** and **FINELINE PROTOTYPING** as a result of Proto Labs' predecessor-in-interest's use of the marks in commerce, beginning with a first use date at least as early as June 2001." Opposer fails to identify this alleged "predecessor-in-interest," and fails to allege the manner, extent or geographic area in which **FINELINE** was used by this "predecessor-in-interest."

Opposer's cryptic reference in Paragraph 7 of the Notice of Opposition to its alleged acquisition of common law priority in **FINELINE** by reason of an unidentified assignment, procured within days of filing the Notice of Opposition, raises an adverse inference about the

anti-competitive purpose of this Opposition when considered in combination with Opposer's allegation of "copyright infringement and false advertising" appearing in Paragraph 39. Opposer alleges in Paragraph 39 that Applicant infringed Opposer's copyright and committed false advertising by use of the following image of a "part which had been custom manufactured by Proto Labs to order and/or specification of others and promoted by Proto Labs as such":



Opposer fails to allege that the image depicted above is subject to copyright protection, or that Opposer has any intellectual property rights in the appearance of the illustrated parts. Nor does the following illustration, additionally presented by Opposer in Paragraph 39 of the Notice of Opposition, support Opposer's allegation that "Applicant Nextline advertised this image at its website as a plastic or metal part *that Applicant Nextline had custom manufactured* to order and/or specification of others" (emphasis added):



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Paragraph 39 of the Notice of Opposition, interpreted most favorably to Opposer, establishes at most that Applicant used an uncopyrighted picture of two plastic or metal parts manufactured by Opposer as an accurate and legitimate illustration, not of what Applicant “*had custom manufactured,*” *id.*, but of what Applicant is *capable of producing*. Far from a slip of the tongue, Paragraph 39 is an example of meretricious pleading at its worst, and not because of the unsupported allegation of copyright and false advertising, or even because of the false portrait of Applicant as a copyright and intellectual property infringer that Opposer seeks to parlay into an adverse finding against Applicant on the issue of likely confusion, but because of what Paragraph 39 does *not* allege. *Absent* from Paragraph 39 or elsewhere in the Notice of Opposition is any allegation that Applicant ever infringed any trademark right belonging to Opposer, *in particular, any right in the FINELINE mark*. The absence of such allegation, in the context of what *is* alleged, raises an inference that Opposer undertook to acquire common law rights in **FINELINE**, or to create an appearance that it had done so, and to file an application for federal registration on that basis, for the ulterior purpose of manufacturing a claim against Applicant that did not exist, and could not have existed, at the time of the “infringement” and “false advertising” alleged in Paragraph 39 of the Notice of Opposition.

The burden of establishing common law priority is especially great where, as here, the pleaded facts support an inference that the opposer seeks “to stifle the efforts of others.” *Scholastic, Inc. v. Macmillan, Inc.*, 650 F. Supp. 866, 873, 2 USPQ2d 1191, 1196 (S.D.N.Y. 1987). Opposer’s alleged acquisition of common law priority by means of an unidentified assignment acquired

within days prior to filing the Notice of Opposition “may be sufficient to permit registration of the mark, but more is required if its owner seeks to use the mark to stifle the efforts of others.”

Id.

In situations such as this, the Court is required to do more than merely determine which party first asserted rights to the mark because “the concept of priority in the law of trademarks is applied ‘not in the calendar sense’ but on the basis of ‘the equities involved.’”

Id. (quoting *Manhattan Industries, Inc. v. Sweater Bee by Banff, Ltd.*, 627 F.2d 628, 630, 207 USPQ 89, 91 (2d Cir.1980), and *Chandon Champagne Corp. v. San Marino Wine Corp.*, 335 F.2d 531, 534, 142 USPQ 239, 242 (2d Cir.1964)).

For example, in *McDonald's Corporation v. Burger King Corporation*, 107 F. Supp. 2d 787, 789 (D. Mich. 2000), the court dismissed a plaintiff’s trademark infringement claim on summary judgment where the plaintiff’s assertion of common law priority was based on minimal prior use in a limited geographic area, stating:

Viewing the evidence in the light most favorable to McDonald's, the court finds that McDonald's has failed to set forth or identify specific facts showing a genuine triable issue regarding whether its use was deliberate and continuous or only sporadic, casual or transitory. Although McDonald's has pointed to evidence showing the amount it spent for advertising for the promotion, it has failed to identify evidence of the effect that advertising had on its intended audience. As a result, McDonald's has failed to point to evidence sufficient to require submission to the jury the question whether it established common law trademark rights by showing that the use was sufficiently public to identify or distinguish the marked goods in an appropriate segment of the public mind as those of McDonald's or that the use had a substantial impact on the purchasing public.

107 F. Supp. 2d at 790 (emphasis added).

In summary, Opposer’s threadbare reference to common law rights “associated with” the **FINELINE** mark acquired by Opposer immediately prior to the filing the Notice of Opposition falls short of the notice to which Applicant would be entitled under Rule 12(b)(6), even in the absence of an inference that the alleged common law priority was obtained for the purpose of

stifling competition by Applicant. This defect in Opposer's allegations is fatal to the Notice of Opposition because the manner and extent of the alleged prior use, and the circumstances of the assignment, go to the heart of Opposer's alleged priority.

III. Conclusion

The Notice of Opposition must be dismissed pursuant to Fed.R.Civ.P. 12(b)(6) because it (1) fails to state whether it is based on fraud, likelihood of confusion, or both, and leaves Applicant guessing as to which allegations relate to which claims (if there is more than one claim); (2) fails to plead fraud with particularity as required by Fed.R.Civ.P. 9(b); and (3) fails to state the circumstances of the "assignment" alleged in Paragraph 7, or the nature and extent of the alleged prior use, or other facts in support of Opposer's claim to common law priority in its alleged **FINELINE** mark.

Respectfully submitted,

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Date: June 20, 2014

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 20, 2014, a copy of the foregoing Motion to Dismiss Notice of Opposition, was served by U.S. mail, first class postage prepaid, on the following counsel of record for Opposer:

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